

AMENDED IN ASSEMBLY JUNE 18, 2009

AMENDED IN SENATE MARCH 31, 2009

SENATE BILL

No. 606

Introduced by Senator Ducheny

February 27, 2009

An act to amend Sections 2436.5 and 2455 of, and to add Section 2455.1 to, the Business and Professions Code, and to amend ~~Section~~ *Sections 128330 and 128553* of the Health and Safety Code, relating to physicians and surgeons, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 606, as amended, Ducheny. Physicians and surgeons: loan repayment.

Existing law establishes the Medically Underserved Account for Physicians within the Health Professions Education Fund that is managed by the Health Professions Education Foundation and the Office of Statewide Health Planning and Development. Under existing law, the primary purpose of the account is to fund the Steven M. Thompson Physician Corps Loan Repayment Program, which provides for the repayment of educational loans, as specified, obtained by a physician and surgeon who practices in a medically underserved area of the state, as defined. Existing law also authorizes using the account to provide funding for the Physician Volunteer Program. Under existing law, funds placed in the account for those purposes are continuously appropriated for the repayment of loans and may be used for any other authorized purpose. Existing law requires that applicants for the loan repayment program be licensed by the Medical Board of California. Existing law imposes a \$25 licensure fee on physicians and surgeons for purposes of the loan repayment program.

Existing law provides for the licensure and regulation of osteopathic physicians and surgeons by the Osteopathic Medical Board of California and imposes various fees on those licensees.

This bill would make osteopathic physicians and surgeons eligible for the loan repayment program and would require the Osteopathic Medical Board of California to assess an additional \$25 licensure fee for that purpose. The bill would direct the deposit of those fees into the Medically Underserved Account for Physicians for purposes of the loan repayment program. The bill would specify that the \$25 fee paid by physicians and surgeons and osteopathic physicians and surgeons shall not be used to provide funding for the Physician Volunteer Program. By increasing the amount of revenue in a continuously appropriated fund, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 2436.5 of the Business and Professions
- 2 Code is amended to read:
- 3 2436.5. (a) In addition to the fees charged for the initial
- 4 issuance or biennial renewal of a physician and surgeon's certificate
- 5 pursuant to Section 2435, and at the time those fees are charged,
- 6 the board shall charge each applicant or renewing licensee an
- 7 additional twenty-five-dollar (\$25) fee for the purposes of this
- 8 section.
- 9 The twenty-five-dollar (\$25) fee shall be paid at the time of
- 10 application for initial licensure or biennial renewal and shall be
- 11 due and payable along with the fee for the initial certificate or
- 12 biennial renewal.
- 13 (b) The board shall transfer all funds collected pursuant to this
- 14 section, on a monthly basis, to the Medically Underserved Account
- 15 for Physicians created by Section 128555 of the Health and Safety
- 16 Code for the Steven M. Thompson Physician Corps Loan
- 17 Repayment Program. Notwithstanding Section 128555 of the
- 18 Health and Safety Code, these funds shall not be used to provide
- 19 funding for the Physician Volunteer Program.
- 20 (c) Up to 15 percent of the funds collected pursuant to this
- 21 section shall be dedicated to loan assistance for physicians and
- 22 surgeons who agree to practice in geriatric care settings or settings

1 that primarily serve adults over the age of 65 years or adults with
2 disabilities. Priority consideration shall be given to those physicians
3 and surgeons who are trained in, and practice, geriatrics and who
4 can meet the cultural and linguistic needs and demands of diverse
5 populations of older Californians.

6 SEC. 2. Section 2455 of the Business and Professions Code is
7 amended to read:

8 2455. The amount of fees and refunds is that established by
9 the following schedule for any certificate issued by the Osteopathic
10 Medical Board of California. All other fees and refunds for any
11 certificate issued by the Osteopathic Medical Board of California
12 which are not prescribed in this schedule, are prescribed in Sections
13 2455.1 and 2456. Any and all fees received by the Osteopathic
14 Medical Board of California shall be for the sole purpose of the
15 operation of the board and shall not be used for any other purpose,
16 except as specified in Section 2455.1.

17 (a) Each applicant for an original or reciprocity Physicians and
18 Surgeons Certificate shall pay an application fee in a sum not to
19 exceed four hundred dollars (\$400) at the time his or her
20 application is filed.

21 (b) The biennial license fee, unless otherwise provided, shall
22 be set by the board on or before November 1 of each year for the
23 ensuing calendar year at a sum as the board determines necessary
24 to defray the expenses of administering this chapter, under the
25 Osteopathic Act, relating to the issuance of certificates to those
26 applicants, which sum, however, shall not exceed four hundred
27 dollars (\$400) nor be less than twenty-five dollars (\$25).

28 (c) The board shall set a biennial license fee in an amount less
29 than that levied pursuant to subdivision (b) that shall be paid by
30 any applicant who indicates to the board in writing that he or she
31 does not intend to practice under the Osteopathic Act during the
32 current renewal period.

33 (d) The fee for failure to pay the biennial license fee shall be
34 50 percent of the renewal fee but not more than two hundred dollars
35 (\$200).

36 SEC. 3. Section 2455.1 is added to the Business and Professions
37 Code, to read:

38 2455.1. (a) In addition to the fees charged pursuant to Section
39 2455, and at the time those fees are charged, the board shall charge
40 each applicant for an original or reciprocity certificate or for a

1 biennial license an additional twenty-five-dollar (\$25) fee for the
2 purposes of this section. This twenty-five-dollar (\$25) fee shall be
3 due and payable along with the fee for the original or reciprocity
4 certificate or the biennial license.

5 (b) The board shall transfer all funds collected pursuant to this
6 section, on a monthly basis, to the Medically Underserved Account
7 for Physicians created by Section 128555 of the Health and Safety
8 Code for the purposes of the Steven M. Thompson Physician Corps
9 Loan Repayment Program. Notwithstanding Section 128555 of
10 the Health and Safety Code, these funds shall not be used to
11 provide funding for the Physician Volunteer Program.

12 *SEC. 4. Section 128330 of the Health and Safety Code is*
13 *amended to read:*

14 128330. As used in this article:

15 (a) “Board” means the Board of Trustees of the Health
16 Professions Education Foundation.

17 (b) “Commission” means the California Healthcare Workforce
18 Policy Commission.

19 (c) “Director” means the Director of the Office of Statewide
20 Health Planning and Development.

21 (d) “Foundation” means the Health Professions Education
22 Foundation.

23 (e) “Health professions” or “health professionals” means
24 physicians and surgeons licensed pursuant to Chapter 5
25 (commencing with Section 2000) of Division 2 of the Business
26 and Professions Code *or pursuant to the Osteopathic Act*, dentists,
27 registered nurses, and other health professionals determined by
28 the office to be needed in medically underserved areas.

29 (f) “Office” means the Office of Statewide Health Planning and
30 Development.

31 (g) “Underrepresented groups” means African-Americans,
32 Native Americans, Hispanic-Americans, or other persons
33 underrepresented in medicine, dentistry, nursing, or other health
34 professions as determined by the board. After January 1, 1990, the
35 board, upon a finding that the action is necessary to meet the health
36 care needs of medically underserved areas, may add a group
37 comprising the economically disadvantaged to those groups
38 authorized to receive assistance under this article.

1 ~~SEC. 4.~~

2 SEC. 5. Section 128553 of the Health and Safety Code is
3 amended to read:

4 128553. (a) Program applicants shall possess a current valid
5 license to practice medicine in this state issued pursuant to Section
6 2050 of the Business and Professions Code or pursuant to the
7 Osteopathic Act.

8 (b) The foundation, in consultation with those identified in
9 subdivision (b) of Section 123551, shall use guidelines developed
10 by the Medical Board of California for selection and placement
11 of applicants until the office adopts other guidelines by regulation.
12 The foundation shall interpret the guidelines to apply to both
13 osteopathic and allopathic physicians and surgeons.

14 (c) The guidelines shall meet all of the following criteria:

15 (1) Provide priority consideration to applicants that are best
16 suited to meet the cultural and linguistic needs and demands of
17 patients from medically underserved populations and who meet
18 one or more of the following criteria:

19 (A) Speak a Medi-Cal threshold language.

20 (B) Come from an economically disadvantaged background.

21 (C) Have received significant training in cultural and
22 linguistically appropriate service delivery.

23 (D) Have three years of experience working in medically
24 underserved areas or with medically underserved populations.

25 (E) Have recently obtained a license to practice medicine.

26 (2) Include a process for determining the needs for physician
27 services identified by the practice setting and for ensuring that the
28 practice setting meets the definition specified in subdivision (h)
29 of Section 128552.

30 (3) Give preference to applicants who have completed a
31 three-year residency in a primary specialty.

32 (4) Seek to place the most qualified applicants under this section
33 in the areas with the greatest need.

34 (5) Include a factor ensuring geographic distribution of
35 placements.

36 (6) Provide priority consideration to applicants who agree to
37 practice in a geriatric care setting and are trained in geriatrics, and
38 who can meet the cultural and linguistic needs and demands of a
39 diverse population of older Californians. On and after January 1,
40 2009, up to 15 percent of the funds collected pursuant to Section

1 2436.5 of the Business and Professions Code shall be dedicated
2 to loan assistance for physicians and surgeons who agree to practice
3 in geriatric care settings or settings that primarily serve adults over
4 the age of 65 years or adults with disabilities.

5 (d) (1) The foundation may appoint a selection committee that
6 provides policy direction and guidance over the program and that
7 complies with the requirements of subdivision (l) of Section
8 128552.

9 (2) The selection committee may fill up to 20 percent of the
10 available positions with program applicants from specialties outside
11 of the primary care specialties.

12 (e) Program participants shall meet all of the following
13 requirements:

14 (1) Shall be working in or have a signed agreement with an
15 eligible practice setting.

16 (2) Shall have full-time status at the practice setting. Full-time
17 status shall be defined by the board and the selection committee
18 may establish exemptions from this requirement on a case-by-case
19 basis.

20 (3) Shall commit to a minimum of three years of service in a
21 medically underserved area. Leaves of absence shall be permitted
22 for serious illness, pregnancy, or other natural causes. The selection
23 committee shall develop the process for determining the maximum
24 permissible length of an absence and the process for reinstatement.
25 Loan repayment shall be deferred until the physician is back to
26 full-time status.

27 (f) The office shall adopt a process that applies if a physician
28 is unable to complete his or her three-year obligation.

29 (g) The foundation, in consultation with those identified in
30 subdivision (b) of Section 128551, shall develop a process for
31 outreach to potentially eligible applicants.

32 (h) The foundation may recommend to the office any other
33 standards of eligibility, placement, and termination appropriate to
34 achieve the aim of providing competent health care services in
35 approved practice settings.